

Department of Social and Health Services

**DP Code/Title: M2-8U Utility Rate Adjustments**

**Agency Wide**

There are 2 Programs in this DP

Budget Period: 2003-05 Version: ZW temp roll up as of 11-7 for rpt

**Recommendation Summary Text:**

**Program(s): 020 030**

This step requests funding to reflect the increases in utility costs from known utility rate increases for electric, natural gas, water, sewage, and other services. Statewide result number 5.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	167,000	269,000	436,000
001-7 General Fund - Basic Account-Private/Local	19,000	19,000	38,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	22,000	22,000	44,000
<b>Total Cost</b>	<b>208,000</b>	<b>310,000</b>	<b>518,000</b>

**Staffing**

**Package Description:**

**Program(s): 020**

Juvenile Rehabilitation Administration (JRA) institutions are affected by utility rate increases approved for vendors by the Washington State Utilities and Transportation Commission (WUTC), and costs passed on by the Bonneville Power Administration (BPA). Echo Glen Children's Center, Maple Lane School, Green Hill Training School, Naselle Youth Camp and state community facilities will be impacted by electricity and natural gas rate increases. Planned and proposed increases by the WUTC and BPA in Fiscal Year 2004 range from 2.2 percent to 15 percent.

Utility costs are the amounts spent directly on heating, cooling, and lighting; state owned and/or leased facilities not obtained through the Department of General Administration, where energy costs are not included as part of the monthly lease payments. Utility costs also include the amounts spent for water, sewer, and garbage.

**Program(s): 030**

Funding is requested to cover the anticipated over expenditure in electrical costs at the state owned psychiatric hospitals. While no further electrical rate increase is expected, actual expenditures during the 2001-03 Biennium exceeded amounts funded in both the 2001-03 initial budget and the 2003 Supplemental.

Utility costs are the amounts spent directly on heating, cooling, and lighting; state owned and/or leased facilities not obtained through the Department of General Administration, where energy costs are not included as part of the monthly lease payments. Utility costs also include the amounts spent for water, sewer, and garbage.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

**Program(s): 020 030**

Contributes to the agency balanced scorecard goal of: 1) Clients are safe from abuse or neglect; 2) Clients maintain or improve their health; and 3) DSHS accounts for its use of public dollars.

***Performance Measure Detail***

**Goal: 01Z DSHS Accounts for Its Use of Public Dollars**

No measures submitted for package  
No measures submitted for package

**Incremental Changes**

**FY 1** **FY 2**

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***Reason for change:***

**Program(s): 020    030**

This request is in response to known utility rate increases for electrical, natural gas, water, sewage, and other services.

***Impact on clients and services:***

**Program(s): 020    030**

This funding will allow the department to maintain the current level of service. Utility costs are an integral component of the cost of providing basic living services to our institutional staff and clients.

***Impact on other state programs:***

**Program(s): 020    030**

Other department programs with leases are impacted but those costs are usually covered by lease agreements.

***Relationship to capital budget:***

**Program(s): 020    030**

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

**Program(s): 020    030**

Not applicable

***Alternatives explored by agency:***

**Program(s): 020    030**

No alternatives were explored, as these costs will be paid as a fixed cost of doing business. Programmatic areas will need to be reduced to meet these business expenses.

***Budget impacts in future biennia:***

**Program(s): 020    030**

The cost carries forward into the 2005-07 Biennium at the second year level (Fiscal Year 2005).

***Distinction between one-time and ongoing costs:***

**Program(s): 020    030**

These are ongoing costs.

***Effects of non-funding:***

**Program(s): 020    030**

The agency will need to pay the incurred utility costs regardless of funding. Non-funding will result in the further erosion of the ability of the agency to serve clients and maintain fiscal integrity.

***Expenditure Calculations and Assumptions:***

**Program(s): 020    030**

See attachment - AW M2-8U Utility Rate Adjustments.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
E    Goods And Services	208,000	310,000	518,000

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**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	167,000	269,000	436,000
<i>Total for Fund 001-1</i>		<b>167,000</b>	<b>269,000</b>	<b>436,000</b>
<b>Fund 001-7, General Fund - Basic Account-Private/Local</b>				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	19,000	19,000	38,000
<i>Total for Fund 001-7</i>		<b>19,000</b>	<b>19,000</b>	<b>38,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	22,000	22,000	44,000
<i>Total for Fund 001-C</i>		<b>22,000</b>	<b>22,000</b>	<b>44,000</b>
<b>Total Overall Funding</b>		<b>208,000</b>	<b>310,000</b>	<b>518,000</b>

**Funding Totals by Program**

Dollars in Thousands

<u>Program</u>	<u>FTE's</u>		<u>GF-State</u>		<u>Total Funds</u>	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
020 Juvenile Rehabilitatn Admin	0.0	0.0	47	149	47	149
030 Mental Health	0.0	0.0	120	120	161	161
<b>Grand Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>167</b>	<b>269</b>	<b>208</b>	<b>310</b>